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Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D. C. 20554

In the Matter of:

Dial Around Compensation for )  
Payphone Service Providers of the )  
Flat Rate Compensation )  
Telecommunications Act of 1996 )  
Payphone Service Providers Group )  
C/O IDEAL Telecommunications Consulting )  
1392 Danville Blvd., Ste. 202 )  
Alamo, Ca 94507 )

CC Docket No. 91-35  
CC Docket No. 96-128

The Payphone Service Providers Group, on behalf of its membership cordially requests the FCC consider these comments as a late submission. There are four major points relative to dial around compensation we would like to point out as significant and implore the Commission to review its decisions pertaining to them. They are as follows:

- ***Require IXC's who have ignored payment of compensation to bring payments current.***  
Clarification of FCC decisions 91-35 of May 8, 1992 mandated a flat rate of \$6.00 be paid to all PSP's. Docket 96-388 of November 7, 1996 set an interim flat rate of \$45.85 per phone per month with 28.4 cents on a per call basis adopted effective October 7, 1997. Many of the IXC's mandated by the FCC to pay dial around compensation have failed to do so. We request the FCC enforce its decision. There also needs to be a disciplinary plan established to eliminate the temptation to withhold payment.
- ***Blocking of calls from payphones by IXC's .***  
The existing ability to block calls highly favors those full service providers like MCI and AT & T who are carriers as well as payphone providers. As a carrier, they have the ability to block all other payphones from their network (while keeping their own open) without advising the end user who blocked the call. It is the natural tendency of the user to assume the call had been blocked by the payphone owner. This results in vandalism at the payphone for which the payphone owner, not the carrier bears the cost of lost equipment.  
  
The blocking of calls from payphones has a tendency to result in anti-competitive behavior by the full service providers and the FCC has given them the mechanism by which to facilitate it.
- ***Require a process be implemented to bill, collect and remit compensation payments to the PSP's in a timely manner.***  
Due to the nature of our industry, most PSP's do not invoice for any other payment due. We are a payment only industry. We also do not have complete data from which to invoice. Today the PSP's have a very slow and archaic process developed by the IXC's in order to submit an

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invoice . The process favors the cash flow of the IXC's and can leave money in their banks for a minimum of 6 months after a compensable call is made. Some are never compensated.

The LEC's and IXC's have very sophisticated tracking and billing mechanisms already in place. They also maintain and own the call records for compensable calls as well as billing agreements with one another. It is apparent they would be the most likely industry partners to bill, collect, remit and resolve any conflicts on behalf of the payers and payees. We are requesting the FCC mandate the LEC's and IXC's work together using existing mechanisms to deploy such a process to resolve this very significant problem

- ***Develop an audit process to assure payment obligations are being satisfied.***

We commend the Commission and the U. S. Court for recognizing the urgency of compensation and the need for fair and equitable treatment. Per call compensation is imperative for the health and strength of the industry. It is also just as critical for the FCC to now invoke an audit mechanism to insure all PSP's are being compensated for the appropriate calls. It must also apply severe disciplinary action to those IXC's not meeting their obligation.

While appeals on the issue of per call compensation are being entertained by the Commission, payphone owners are still bearing the cost of expensive equipment with diminishing returns. The majority of carriers are not paying. Some have raised their surcharges and have leveraged a \$.35 charge on 800 services when the call originates from a payphone while only passing along to the PSP \$.10 per call if anything at all. This marketing has gained the carriers many millions of dollars that unless passed though to the PSP will be a windfall for the IXC's.

We respectfully request an expeditious resolution to the pending appeals.

Submitted by:



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February 26, 1998

On Behalf of: Payphone Service Providers Group  
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